

### Fund Description

The Fund invests in a diversified group of specialist property managers. These fund managers invest in property trusts and other property securities (where underlying assets are properties or property related businesses) predominantly listed on the Australian Stock Exchange. Property investments are capable of providing attractive levels of income with a small amount of growth in the value of capital invested. Listed property trusts have generally been found to deliver returns that are on average below the returns from shares, but which also tend to exhibit lower variance in price during share market declines.

Property sectors include commercial, retail, tourism and residential property. Companies include property investment, development, contracting, tourism and leisure activities.

It is recommended that investors in this Fund should plan to hold their investments for at least four to six years. Investment in this sector can be volatile over the short-term.

**Fund Classification**      Core/Diversified      **Sector**      Specialist/Satellite

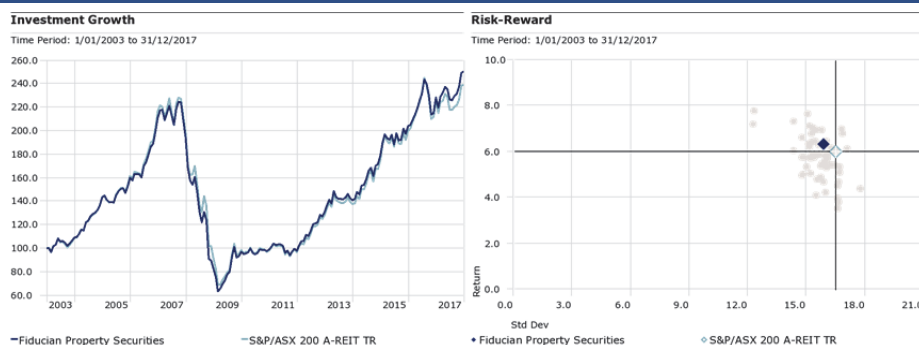
### Manager Commentary

The S&P / ASX 300 A-REIT Accumulation Index marginally rose for the fifth consecutive month with a rise of 0.2% in December, under-performing the broader Australian equity market (+1.9%).

Stock specifics tended to be the main performance drivers in December. Westfield Group (+13.2%) was the strongest performer after it received a bid from French retail giant, Unibail Rodamco.

The Fund out-performed the index in December, with the Fund's exposure to the largest active manager, Phoenix (+0.9%) contributing most to fund performance. Over the 2017 calendar year, the Fund gained 9.4%, out-performing the index return of 5.7%. Property is an interest rate sensitive sector and could come under pressure in an environment of a long and protracted rise in bond yields. More recently, however, bond yields have been trending higher, potentially lowering valuations. However, relatively stable earnings certainty also remains a key driver that investors find appealing with property. The reporting season and quarterly company updates have generally been fairly upbeat with only a small number of downgrades.

### Fund Performance and Risk Analytics Summary



#### Current Period Return (net of fees as at 31 December 2017)

|             | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs (pa) | 5 Yrs (pa) | 10 Yrs (pa) |
|-------------|-------|-------|-------|------|------------|------------|-------------|
| <b>Fund</b> | 0.5%  | 8.0%  | 10.3% | 9.4% | 11.9%      | 13.8%      | 2.5%        |
| Index       | 0.2%  | 7.9%  | 9.8%  | 5.7% | 11.0%      | 13.2%      | 1.9%        |
| Excess      | 0.2%  | 0.1%  | 0.5%  | 3.7% | 0.9%       | 0.6%       | 0.6%        |

#### Risk Exposure

|                                    | 1 Yr  | 3 Yrs (pa) | 5 Yrs (pa) | 10 Yrs (pa) |
|------------------------------------|-------|------------|------------|-------------|
| <b>Fund Volatility (Std Dev %)</b> | 9.3%  | 11.3%      | 11.0%      | 17.9%       |
| Benchmark Index (Std Dev %)        | 10.6% | 12.9%      | 12.5%      | 18.5%       |
| Beta                               | 0.86  | 0.91       | 0.92       | 0.99        |
| Tracking Error (% pa)              | 2.0%  | 2.3%       | 2.1%       | 3.1%        |

#### Calendar Year return (net of fees)

|             | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Fund</b> | 1.2%  | -1.1% | 34.5% | 7.4%  | 26.7% | 14.4% | 12.0% | 9.4%  |
| Index       | -0.4% | -1.5% | 33.0% | 7.1%  | 27.0% | 14.3% | 13.2% | 5.7%  |
| Excess      | +1.6% | +0.4% | +1.5% | +0.3% | -0.4% | +0.1% | -1.1% | +3.7% |

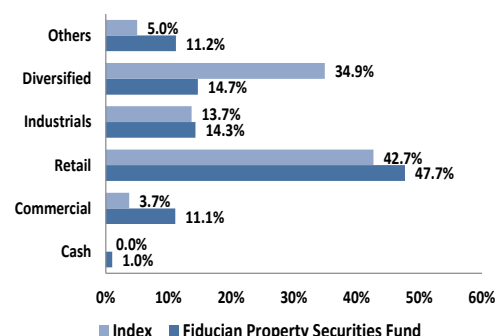
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Listed Property Securities  
**Asset Code:** PS1  
**ARSN:** 093 544 079  
**APIR Code:** FPS0007AU  
**Benchmark:** S&P/ASX 200 Property  
**Inception Date:** March 1997  
**Fund Size:** \$117.0 million as at 31 December 2017  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.03%

### Style Tilts

| Managers                        | Style          | No. of Stocks | Weight |
|---------------------------------|----------------|---------------|--------|
| BlackRock Investment Management | Index          | N/A           | 15%    |
| Principal Global Investors      | GARP           | 21            | 28%    |
| Phoenix Capital                 | Sector Neutral | 49            | 56%    |
| Cash                            |                |               | 1%     |

### Sector Weights



### Top Holdings

| Stocks                     | Weight       |
|----------------------------|--------------|
| SCENTRE GROUP              | 16.4%        |
| WESTFIELD CORPORATION      | 15.1%        |
| GPT GROUP                  | 7.6%         |
| GOODMAN GROUP              | 7.1%         |
| MIRVAC GROUP               | 5.7%         |
| STOCKLAND                  | 5.5%         |
| VICINITY CENTRES           | 5.1%         |
| CHARTER HALL LIMITED       | 4.6%         |
| DEXUS                      | 4.3%         |
| PROPERTYLINK GROUP         | 2.5%         |
| INVESTA OFFICE FUND        | 1.9%         |
| MACQUARIE ATLAS ROADS GR   | 1.6%         |
| FOLKSTONE LIMITED          | 1.4%         |
| ARENA REIT                 | 1.1%         |
| APN PROPERTY GROUP LIMITED | 1.1%         |
| <b>Total</b>               | <b>81.3%</b> |

The above are security holdings in the actively managed holdings only (index fund holdings are not included).